

MANUFACTURING EXTENSION PARTNERSHIP

Success Stories from the Field

Olsen Engineering Inc

Iowa Manufacturing Extension Partnership

Olsen Engineering Rises From The Ashes

Client Profile:

Olsen Engineering, established in 1972, is a privately owned custom fabricator of zinc- or chrome-coated pins for the industrial and construction equipment industry. Located in Eldridge, Iowa, the company employs 160 people.

Situation:

In November of 2000, 40 percent of Olsen Engineering's facilities burned to the ground. The company faced the challenge of retaining its major customer while frantically retraining employees to use new CNC machinery, maintaining customer orders, and planning and building new facilities. The Iowa Manufacturing Extension Partnership (IMEP) at Eastern Iowa Community College (EICCD), a NIST MEP network affiliate, was asked to join a team assembled to pull together available resources for Olsen Engineering's rebuilding efforts.

Solution:

IMEP and EICCD worked with Olsen Engineering to develop an action plan addressing issues such as accelerated employee training, enhanced maintenance programs, and quality.

IMEP worked with the University of Northern Iowa to access a Department of Labor-funded grant program called Iowa Training Opportunities Program (ITOP). All employees went through an assessment process to determine their skill level in the areas of CNC and quality. Based on these results, IMEP developed a basic skills program and CNC training, which it conducted on-site on Olsen's own equipment. Fifty-six people participated in this program at no cost to the company. Employees were able to operate the CNC equipment as soon as it arrived at the facility, with no downtime in meeting customer orders. IMEP also accessed the ITOP program to provide quality systems training to 38 Olsen Engineering employees.

IMEP brought in the Iowa Demonstration Lab (IDL) at Iowa State University to help Olsen Engineering assess and improve the effectiveness of its magnetic particle systems and methods. IDL audited the company's magnetic particle systems and methods and provided a set of improvement recommendations. The company upgraded its magnetic particle inspection systems and method, further improving the quality of customer service.

Olsen Engineering asked IMEP for help with a lean manufacturing initiative planned for its new facility. IMEP accessed a special funding source to provide Lean 101 and Total Productive Maintenance workshops at minimal cost to

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the company. The company used this training to implement lean improvements throughout its operations.

Results:

Retained sales of \$22 million.

Received training grants of \$82,000.

Avoided quality defect costs of \$1 million.

Trained 158 employees in CNC machining skills, quality systems, and lean manufacturing.

Testimonial:

"Assistance from the Iowa Manufacturing Extension Partnership and Eastern Iowa Community College was key in rebuilding our company after suffering a major fire in our facilities. We advanced from 27 CNC operators to 83 over a period of ten months, all while rebuilding almost half of our company! The task of training our employees could have easily been the "straw that broke the camel's back" had we not received help from our friends at IMEP and EICCD."

Mark Dawson, President